MARKETBEAT

PALM BEACH

INDUSTRIAL Q3 2025

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
8.3% Vacancy Rate	▲	▼
266K YTD Net Absorption, SF	▼	▲
$13.74 Asking Rent, PSF *(Overall, Net Asking Rent)*	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
709K Palm Beach County Employment	▲	▲
3.7% Palm Beach County Unemployment Rate	▲	▲
4.3% U.S. Unemployment Rate	▲	▲

Source:BLS

SUPPLY

Palm Beach County's overall vacancy rate rose to 8.3% in Q3, driven by a surge in construction completions. The 140-basis-point (bp) year-over-year (YOY) increase is largely attributed to the delivery of 725,000 square feet (sf) of new supply, including major projects such as Egret Point Logistics, Logistics Center at Delray, and West Atlantic Business Center. These developments contributed to a 110-bp quarter-over-quarter (QOQ) increase, marking one of the most active quarters for new inventory in the market's history. The construction pipeline remained active, totaling 810,989 sf, with 25.0% preleased. At the forefront is The District, a seven-building, 515,000-sf development in the Boynton Beach submarket that reflects renewed construction momentum countywide. As demand continues to rise and no new completions are slated until mid-2026, vacancy is likely to trend downward heading into next year.

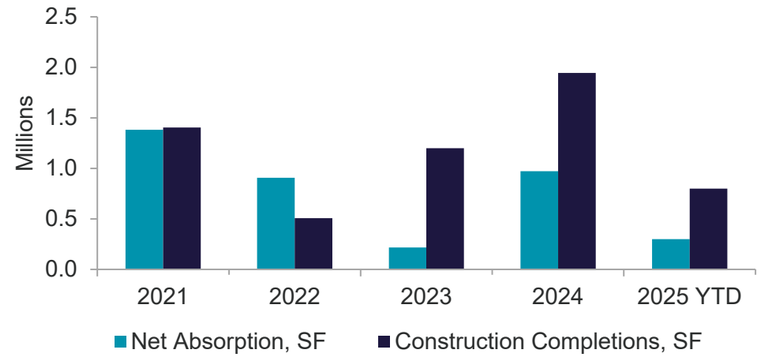
DEMAND

New leasing activity in the third quarter totaled 348,351 sf, in line with Palm Beach County's five-year quarterly average. Following a record-setting Q2, sustained momentum pushed year-to-date (YTD) deal volume to nearly 1.5 million square feet (msf), the highest level on record, excluding 2020, when Amazon's 1.0-msf lease skewed activity totals. With vacancy among buildings completed before 2023 at just 2.5%, both available space and tenant demand have become increasingly concentrated in newly delivered projects. These newer developments accounted for 52.6% of all leasing activity through Q3 and represent the primary source of active inventory. Net absorption totaled over 182,000 sf in Q3, bringing YTD absorption to nearly 266,000 sf. The West Palm Beach and Jupiter submarkets led the county in move-ins, with Niagara Bottling occupying 182,839 sf and GOAT Foods taking 68,099 sf, both in recently completed buildings. Boca Raton also posted solid absorption, highlighted by ADMA Biologics' user purchase of a 38,195-sf flex building during the quarter. While Niagara Bottling is expected to vacate its former 150,000-sf space at Palm Beach Park of Commerce in Q4, overall absorption is still anticipated to remain positive through year-end.

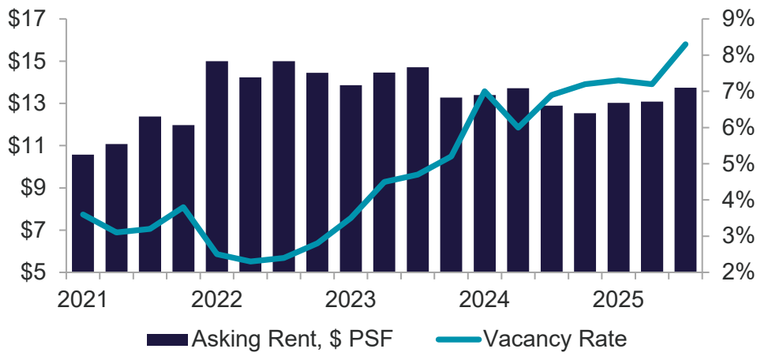
PRICING

Palm Beach County's overall average asking rental rate jumped 5.1% QOQ to $13.74 per square foot, driven by the influx of higher-priced space fueling rent growth. Discounted big-box space continued to weigh down the overall market average, but asking rents have increased for three consecutive quarters, reaching their highest level in two years.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



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MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)*	UNDER CNSTR (SF)	YTD CNSTR COMPL (SF)	OVERALL WEIGHTED AVG NET RENT (MF)**	OVERALL WEIGHTED AVG NET RENT (OS)**	OVERALL WEIGHTED AVG NET RENT (W/D)**	OVERALL WEIGHTED AVG NET RENT**
Boca Raton	7,192,758	177,352	2.5%	59,169	30,545	199,840	0	0	$19.95	$18.21	$15.38	$17.53
Boynton Beach	3,451,003	545,471	15.8%	21,807	43,794	236,913	519,991	457,110	N/A	N/A	$16.29	$16.29
Delray Beach	1,810,946	293,034	16.2%	-7,884	-12,443	82,579	200,000	268,959	N/A	$14.50	$16.06	$16.01
Jupiter	5,918,403	1,362,885	23.0%	182,839	184,039	246,400	0	0	N/A	$12.75	$10.62	$10.71
Lake Worth	2,097,951	4,331	0.2%	1,233	2,242	6,828	0	0	N/A	N/A	$25.84	$25.84
Riviera Beach	8,632,471	455,095	5.3%	-89,336	-40,476	123,567	0	50,022	$11.00	N/A	$15.30	$15.04
West Palm Beach	14,967,485	808,431	5.4%	14,358	58,150	575,577	90,998	0	$9.25	$20.77	$16.71	$16.09
PALM BEACH TOTAL	**44,071,017**	**3,646,599**	**8.3%**	**182,186**	**265,851**	**1,471,704**	**810,989**	**776,091**	**$11.18**	**$16.70**	**$13.61**	**$13.74**

**Renewals not included in leasing statistics* ***Rental rates reflect weighted net asking $psf/year*

PRODUCT TYPE	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)*	UNDER CNSTR (SF)	YTD CNSTR COMPL(SF)	OVERALL WEIGHTED AVG NET RENT**
Manufacturing	6,498,245	68,161	1.1%	2,250	1,500	11,850	0	0	$11.18
Office Service	4,966,976	194,981	3.9%	12,891	-13,164	204,110	0	0	$16.70
Warehouse/Distribution	32,605,796	3,383,457	10.4%	167,045	277,515	1,255,744	810,989	776,091	$13.61

KEY LEASE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
3800 South Congress Avenue	Boynton Beach	Premium Absorbent Disposables, LLC	75,982	New
6071 Southern Blvd S	West Palm Beach	Severen	60,667	New
8289 Boynton Beach Blvd	Boynton Beach	Global Padel	26,000	New
2206 Mercer Avenue	West Palm Beach	Gander & White Shipping Ltd	20,950	New
8289 Boynton Beach Blvd	Boynton Beach	American Twisters	20,000	New

**Renewals not included in leasing statistics*

KEY SALE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / $ PSF
715 Whitney Avenue	Lake Worth	Lan-Hill Corp | Bluewater Chairs	77,446	$6.4M | $83
1001 Jupiter Park Drive	Jupiter	Paul Maddock Jr. | Jamco Inc	52,641	$14.3M | $272
6300 Park of Commerce Blvd	Boca Raton	Gautam P Huded | ADMA Biologics, Inc.	38,195	$12.4M | $323

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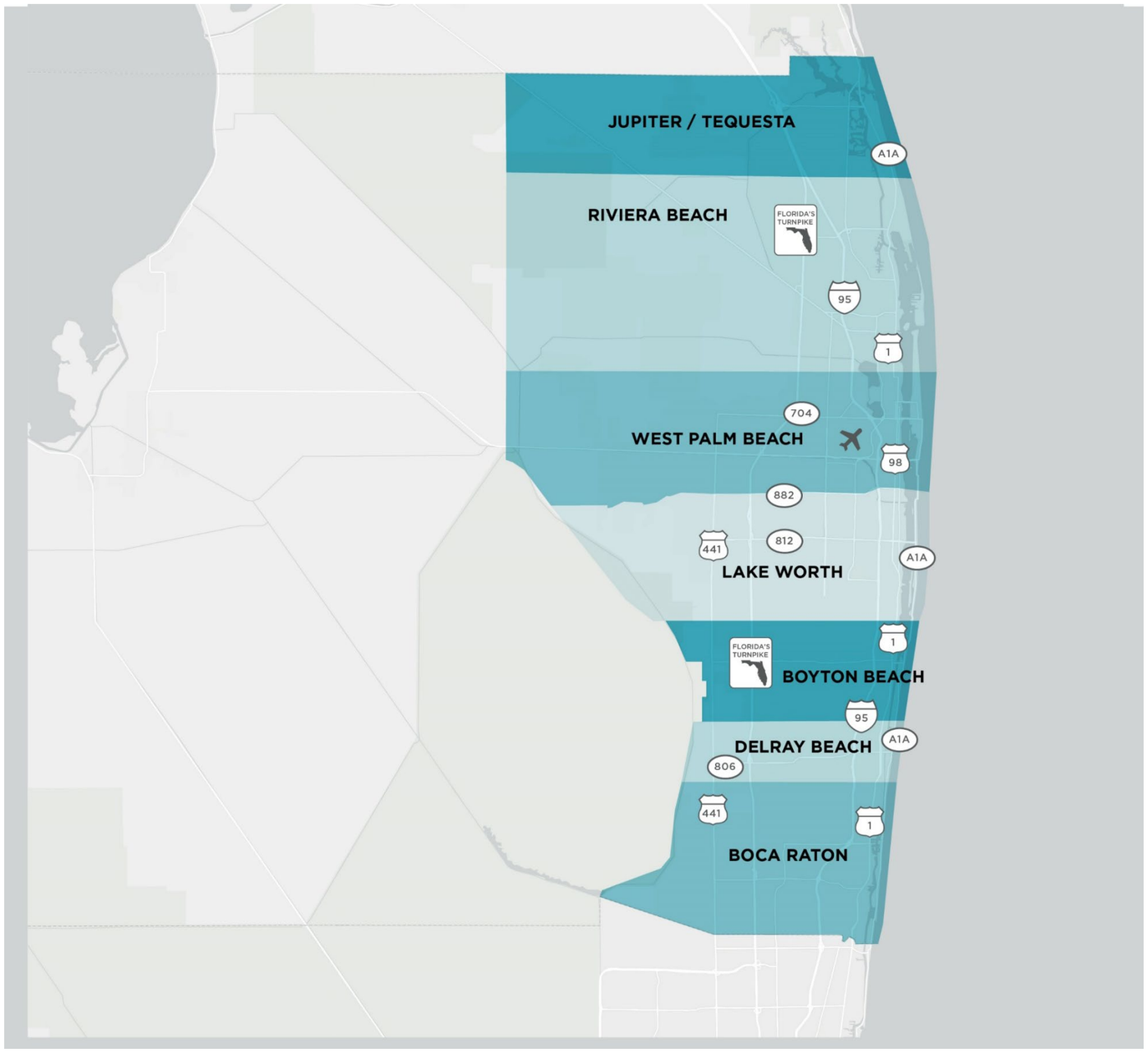
INDUSTRIAL SUBMARKETS



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